

19 February 1957

MEMORANDUM FOR: The Director of Central Intelligence
SUBJECT: Recent Developments in the Ryukyu Islands

1. The Okinawa situation is not a critical problem at present, but the US is likely to face increasing difficulties in its relations with the Okinawan peoples and Okinawa will probably become increasingly troublesome in US-Japanese relations.

2. The Ryukyuan Islanders were thoroughly assimilated by the Japanese during the seventy years of direct Japanese rule prior to 1945. They have retained their loyalty to Japan and sentiment is overwhelmingly in favor of the reversion of the islands to Japanese administration. However, there is very little anti-American sentiment in the islands, primarily because the US has made it clear that, although it will retain control over the islands so long as tensions remain in the Far East, it recognizes that residual sovereignty over the

* This memorandum has been prepared in consultation with O/CI and DDP and supersedes memorandum dated 12 February 1957 on the same subject.

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islands remains with Japan. The problem of land acquisition for the US Armed Forces is the major immediate issue, and is a serious irritant in US-Ryukyuan relations and the primary reason for such anti-American sentiment as exists on the islands.

3. Both the "reversion" of the islands and the land acquisition problem are popular political issues in Japan and have been exploited by the left-wing elements. Although the Japanese Government publicly supports the reversion issue and has not been able to ignore the land acquisition problem, it has not been willing to make either an important issue between itself and the US government.

4. The US governs the Ryukyu Islands through the Far East Command which has set up a local civilian government composed of three main branches. The Far East Command appoints the chief and the deputy chief of the executive branch and a five-man court of appeals. The legislative branch includes 29 legislators, each elected for a two-year term, from 29 electoral districts. The US command retains the right of absolute veto over the actions of the legislature.

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5. The Ryukyus Democratic Party (RDP) is pro-American and anti-Communist, and has a solid working majority of 17 seats in the legislature. The Okinawa Socialist Masses Party (OSMP), the less radical of the two opposition parties, currently holds seven seats. The Okinawa People's Party (OPP) is Communist-led and dominated and has one seat in the legislature.

6. The economy of the Ryukyus is restricted to small scale farming and fishing enterprises, and was subsidized by the Japanese Government prior to 1945 and by the US since.

7. The US now occupies 42,000 acres of land on Okinawa, including 21 percent of the limited arable land, and desires an additional 10,000 acres. Attempts on our part to negotiate voluntary leases for the land occupied have generally failed because of the Okinawans' intense regard for their ancestral land and the social status which is associated with land ownership, and because they have felt that the rent offered by the US was too low. The Okinawans, recognizing that the US Government will not for the present give up its land holdings, advocate the application of four principles: (1) no acquisition by the US of fee title to any land; (2) no further land to be made available to the US; (3) no lump sum payment on leases of land; (4) adequate

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compensation for landowners.

8. A special subcommittee of the US House of Representatives Armed Services Committee (the Price Committee), after a visit to Okinawa to investigate the land acquisition problem, recommended in its report in June 1956 that the US take fee title or such maximum interest as could be acquired under law, and that compensation be by lump sum payment. The initial reaction to this report by Okinawans of all political complexions was highly emotional. The indigenous legislature unanimously resolved to request the intercession of the Japanese Government. Furthermore, the Socialists in Japan were able to make considerable political capital out of this issue in the elections to the Upper House in July 1956. However, the Japanese Government refused to become involved in the issue, and the conservative Ryukyu leaders have in the past few months reconsidered their attitude and have decided to attempt to settle the controversy through discussion with local US officials. In addition, US officials on the spot have made conciliatory gestures by public announcement of a comprehensive review of the military land needs with the purpose of reducing these requirements and minimizing future

acquisitions, and by pointing out that we do not intend to acquire a fee title.

9. In late December 1956, the US negotiated five-year leases on 660 additional acres on Okinawa, with provisions for yearly rentals. These agreements also give to the US an option to buy a "less than fee simple" interest in the property, to be paid in a lump sum. Because these agreements contradict the "four principles," some members of the Ryukyuan legislature have pressed for a mass resignation. However, the majority of the members refused to join in this movement on the grounds that the landowners and local officials are satisfied with the terms. Unless the US attempts to obtain substantial additional acreage, the Ryukyus will probably not employ strong pressures over the land acquisition issue.

10. The Japanese Government is committed to regaining administrative control in the Ryukyus and is opposed to extensive US acquisitions of land on terms which might indicate an indefinite occupation by the US. In this position it has the widespread support of both the Japanese and Ryukyuan people. Although neither the Ryukyuan political leaders nor the Japanese Government

appear to have any intention of forcing these issues in the immediate future to any such degree as to endanger over-all cooperation with the US, they will remain determined not to yield on the basic principles. Moreover, they may from time to time feel compelled by domestic political pressures to agitate these issues, particularly if the US undertakes substantial additional acquisitions of land or if US-Japanese relations deteriorate over other outstanding issues.

FOR THE BOARD OF NATIONAL ESTIMATES:

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